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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/784,110	02/20/2004	Christopher S. Whinery	5503.1	6920
53190 7590 04/17/2008 ATTN: BARBARA KREBS YUILL DUNLAP CODDING & ROGERS, P.C. P.O. BOX 16370 OKLAHOMA CITY, OK 73113				
EXAMINER				
MAGUIRE, LINDSAY M				
ART UNIT		PAPER NUMBER		
3692				
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

**Application No.**

10/784,110

**Applicant(s)**

WHINERY ET AL.

**Examiner**

LINDSAY M. MAGUIRE

**Art Unit**

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 20 February 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-25 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SF/ICE)  
Paper No(s)/Mail Date 2/20/04
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Claim Objections***

Claim 3 is objected to because of the following informalities: the claim ends with both a semi-colon and a period. Appropriate correction is required.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 25 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 25 recites the limitation "the security information" in line 1. There is insufficient antecedent basis for this limitation in the claim.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. PGPub. No 2002/0133371 (Cole '371), in view of U.S. Pat. No.5,657,389 (Houvener '389).

**Re Claim 1:** Cole '371 discloses a method for protecting real estate and/or a true owner's equity therein from fraudulent conveyance, mortgaging or other fraudulent transactions and encumbrances involving the real estate comprising: (a) executing a written instrument comprising a lien on the real estate (paragraph [0011]); (b) recording the written instrument so as to give public notice according to applicable laws and regulations (paragraph [0033]);

Cole '371 discloses the method substantially as claimed, as advanced above, with the exception of requiring: (c) compiling and documenting personal information evidencing the true owner's identity; and (d) based on said personal information, verifying, when notice of a pending transfer or encumbrance of the real estate is received, that the one attempting to transfer or encumber the real estate is in fact the true owner. However, Cote '371 does disclose compiling and documenting identification data (paragraph [0031]) and verifies that the identification data matches up to determine if the transaction is fraudulent (paragraphs [0014, 0040 -0050]). Houvener '389 discloses compiling and documenting personal information evidencing an owner's identity and based on that information verifying that the user is the actual owner (abstract, column 4, lines 18 -31). Therefore, it would have been obvious to one of

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ordinary skill in the art at the time the invention was made to modify the method of Cole '371, in view of the teachings of Houvener '389 for the basic reason of increasing the security of the method, and decreasing the likely hood of fraudulent activities (Houvener '389 column 4, lines 36-44).

**Re Claim 2:** Cole '371 and Houvener '389 disclose the method in supra including, wherein the real estate is a private home (Cole '371, paragraph [0011], note: a private home is a real property).

**Re Claim 3:** Cole '371 and Houvener '389 disclose the method in supra including, wherein the written instrument specifies a lien holder (paragraph [0011]), but with the exception of including a requirement that the lien holder be contacted and notified prior to closing any mortgage, conveyance or other encumbrance involving the real estate. However, it is well known and obvious within the field of endeavor to notify an owner when fraud is detected for the basic reason of allowing the owner to take the necessary measures associated when one has been a victim of fraud.

**Re Claim 4:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including, that the written instrument further specifies that the lien must be paid prior to release. However, it is considered to be obvious and well known in the art that the remainder of a mortgage must be repaid to the lender before the house is considered to be settled.

**Re Claim 5:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including, wherein the written instrument further specifies that the lien can be released only by obtaining a payoff statement from a holder of the lien. However, it is considered obvious and well known in the art that all the steps required to sell a house be completed before a property is sold, which includes insuring that the lender has been paid and the loan closed.

**Re Claim 6:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including, preparing a payoff statement, said payoff statement requiring that the true owner present a closing pass prior to closing; and issuing a closing pass to the true owner after the true owner's identity is verified. However, both Cole '371 and Houvener '389 does disclose that an owner's identity has to be verified before a transaction is allowed to go through (Cole '371, paragraph [0012, 0025]; Houvener '389 column 6, line 59 – column 7, line 11). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made, in view of current industry practices to prepare a payoff statement, and for the true owner's identity to be verified before closing for the basic reason of reducing fraud in the market place.

**Re Claim 7:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including that the closing pass comprises figures selected from the group consisting of letters, words, numbers, symbols, designs and combinations thereof. However, Houvener '389 does disclose personal identification numbers (column 6, line

59 – column 7, line 11). Furthermore, it is considered to be obvious and well known in the art to use combinations of letters, numbers, words, symbols, etc. when creating a password type document for the basic reason of having an increased security measure, i.e. a code that couldn't be cracked.

**Re Claim 8:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including that said written instrument further specifies that in the event of a title or abstract search on the real estate by a real estate professional, the professional is requested to notify a holder of the lien. However, Cole '371 does disclose automatically flagging situations indicating potential fraud before the loan is funded, thereby allowing the lender to do increased due diligence where it may be warranted (paragraph [0025]). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to include a clause in the lien that would request notification upon a search of the property in question, for the basic reason of increased security of the account and to continue with industry standards in the field of identity theft of notification when there is suspicious activity in an account.

**Re Claim 9:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including that the written instrument defines the real estate professional as being selected from the group consisting of real estate agent, closing agent, title company and attorney. However, it is considered old and well known in the art that a

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real estate professional is either a real estate agent, closing agent, title company, or attorney.

**Re Claim 10:** Cole '371 and Houvener '389 disclose the method in supra including that said written instrument further includes language identifying the lien as a means to prevent identity theft and fraud (Cole '371, abstract, paragraph [0011]).

**Re Claim 11:** Cole '371 and Houvener '389 disclose the method in supra including that said personal information comprises personal and private information known only by the true owner (Cole '371, paragraph [0031]; Houvener '389, column 4, lines 18-31).

**Re Claim 12:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including that said personal information comprises information selected from the group consisting of mother's maiden name, pet's name, birth date, birth city, father's middle name, name of best friend in grade school, schools attended and dates, musical instruments played, ethnic background, race, eye color, and combinations thereof. However, it is considered to be old and well known in the art of security for passwords to be based on the above or for security questions to have answers that are based on the above, and therefore is considered to be obvious to use here and encompassed by Houvener '389 which states, "or other data unique to individuals for positive identity verification purposes" (column 4, lines 18-31).



**Re Claim 13:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including that said personal information comprises a question and answer generated by the true owner. However, it is considered to be old and well known in the art of security to have security questions and to have answers that are based on the users responses, and therefore is considered to be obvious to use here and encompassed by Houvener '389 which states, "or other data unique to individuals for positive identity verification purposes" (column 4, lines 18-31).

**Re Claim 14:** Cole '371 and Houvener '389 disclose the method in supra including that said personal information comprises a photograph of the true owner (Houvener '389, column 4, lines 18-31).

**Re Claim 15:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including that said personal information comprises names and contact information of individuals who can testify to the true owner's identity by sight. However, it is considered old and well known in the art of security to put down names of people who know a user for a variety of reasons, and therefore is considered to be obvious here, (Houvener '389, column 4, lines 18-31).

**Re Claim 16:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including that said personal information comprises a security code. However, Houvener '389 discloses the use of a security code (column 6, line 59 –

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column 7, line 10). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made and further it is considered to be old and well known in the art of security for there to be a security code, and therefore is considered obvious here.

**Re Claim 17:** Cole '371 and Houvener '389 disclose the method in supra including that said security code comprises figures selected from the group consisting of letters, words, numbers, symbols, designs or combinations thereof (column 6, line 59 - column 7, line 10).

**Re Claim 18:** Cole '371 and Houvener '389 disclose the method in supra including further comprising periodically updating the personal information (Houvener '389, column 8, lines 11-16; i.e. updating the databases).

**Re Claim 19:** Cole '371 and Houvener '389 disclose the method in supra including further comprising releasing the lien if the one attempting to transfer or encumber the real estate is in fact the true owner (Houvener '389, column 6, line 59 – column 7, line 10).

**Re Claim 20:** Cote '371 discloses a method for protecting real estate and/or a true owner's equity therein from fraudulent conveyance, mortgaging or other fraudulent transactions and encumbrances involving the real estate comprising: (a) executing a

written instrument wherein a lien on the real estate is obtained by a lender in exchange for a loan of money or service to a true owner of the real estate (paragraph [0011]); and (b) recording the written instrument so as to give public notice of the lien and its requirements according to applicable laws and regulations (paragraph [0033]).

Cote '371 discloses the method substantially as claimed, as advanced above, with the exception of including: (a) wherein the instrument specifies that the lender must be contacted and a payoff statement obtained prior to closing any transaction involving the real estate (claim 20, lines 6-7); (b) compiling and documenting personal information evidencing the true owner's identity (claim 20, lines 10-11); (c) executing a contract between the lender and the true owner of the real estate whereby when requested to release the lien, the lender is required to investigate that the true owner is aware of the pending transaction and to confirm that the true owner is not being fraudulently represented in the transaction prior to release of the lien by the lender; and (d) periodically updating the personal information.

Regarding (a) – (d), Cote '371 clearly discloses compiling and documenting identification data (paragraph [0031]) and verifies that the identification data matches up to determine if the transaction is fraudulent (paragraphs [0014, 0040 -0050]). Houvener '389 discloses compiling and documenting personal information evidencing an owner's identity and based on that information verifying that the user is the actual owner (abstract, column 4, lines 18 -31), and periodically updating (Houvener '389, column 8,

lines 11-16; i.e. updating the databases). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of Cole '371, in view of the teachings of Houvener '389 for the basic reason of increasing the security of the method, and decreasing the likelihood of fraudulent activities (Houvener '389 column 4, lines 36-44). Additionally, it is well known and obvious within the field of endeavor to notify an owner when fraud is detected for the basic reason of allowing the owner to take the necessary measures associated, when one has been a victim of fraud, and it is considered obvious and well known in the art that all the steps required to sell a house be completed before a property is sold, which includes insuring that the lender has been paid and the loan closed.

**Re Claim 21:** Cote '371 discloses a real estate equity protection system that comprises: (a) a written instrument, recordable so as to provide public notice, comprising a mortgage whereby a lien on the real estate is provided to a service company in exchange for a loan of money or service to a true owner of the real estate (paragraph [0011]); (b) means for documenting and maintaining personal information as evidence of the true owner's identity (paragraph [0033]).

Cote '371 discloses the system substantially as claimed, with the exception of requiring means for confirming, upon receiving notice of a pending sale, mortgage or other transaction involving the real estate, the true owner's identity based on the

documented personal information, and for confirming that the true owner is aware of the sale, mortgage or other transaction and that the true owner is not being fraudulently represented in the sale, mortgage or other transaction. Houvener '389 disclose upon receiving notice of an impending transaction, confirming that it is the true owner making the transaction (abstract, column 4, lines 18 -31). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Cole '371, in view of the teachings of Houvener '389, for the basic reason of increasing the security of the method, and decreasing the likely hood of fraudulent activities (Houvener '389 column 4, lines 36-44).

**Re Claim 22:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including, wherein the instrument specifies that the service company must be contacted and a payoff statement obtained prior to closing any sale, mortgage or other transaction involving the real estate. However, it is well known and obvious within the field of endeavor to notify an owner when fraud is detected for the basic reason of allowing the owner to take the necessary measures associated when one has been a victim of fraud.

**Re Claim 23:** Cole '371 and Houvener '389 disclose the method in supra including that the means for documenting and maintaining the personal information comprises a computer (Cole '371, abstract).

**Re Claim 24:** Cole '371 and Houvener '389 disclose the method in supra with the exception of including that the means for documenting and maintaining the personal information comprises a computer system backed up by a manual filing system. However it is considered to be old and well known in the art to keep paper file back-ups of important documents for the basic reason of having a back-up in case something happens to the computer files.

**Re Claim 25:** Cole '371 and Houvener '389 disclose the method in supra wherein the security information comprises a security code. However, Houvener '389 discloses the use of a security code (column 6, line 59 – column 7, line 10). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made and further it is considered to be old and well known in the art of security for there to be a security code, and therefore is considered obvious here.

### ***Conclusion***

Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed

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invention, as well as the context of the passage as taught by the prior arts of disclosed by the examiner.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to LINDSAY M. MAGUIRE whose telephone number is (571)272-6039. The examiner can normally be reached on M-F: 7-4.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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4/11/08  
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